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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

20 In re:) Case No. 11-48963-EDJ-11
21 **ANDRONICO'S MARKETS, INC.,**)
22 A California Corporation, aka) Chapter 11
23 Andronico's Community Markets,)
24) Date: August 24, 2011
25 Debtor.) Time: 10:00 a.m.
26) Place: United States Bankruptcy Court
27 1200 Irving Street) 1300 Clay Street, Courtroom 215
28 San Francisco, CA 94122) Oakland, CA 94612
Employer Tax I.D. No.: 94-1307395) Judge: Honorable Edward D. Jellen

20 **EXHIBIT "A"**

21 **To**

22 **MOTION FOR INTERIM AND FINAL ORDERS (1) AUTHORIZING POST-PETITION**
23 **FINANCING; (2) AUTHORIZING USE OF CASH COLLATERAL; (3) GRANTING ADEQUATE**
PROTECTION; (4) MODIFYING AUTOMATIC STAY; AND (5) GRANTING RELATED RELIEF

Andronico's Community Markets

13 Week Cash Flow Forecast

Actual/Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	DIP Forecast Total	
Forecast Week #	1	2	3	4	5	6	7	8	9	10	11	12	13		
Fiscal Week #	4	5	6	7	8	9	10	11	12	13	14	15	16		
Week Ending Saturday	8/27/2011	9/3/2011	9/10/2011	9/17/2011	9/24/2011	10/1/2011	10/8/2011	10/15/2011	10/22/2011	10/29/2011	11/5/2011	11/12/2011	11/19/2011		
Beginning Cash Balance	320,000	(345,415)	(785,174)	(1,437,881)	(2,866,241)	(3,419,577)	(4,118,513)	(4,171,240)	(4,008,549)	(4,350,277)	(4,126,475)	(4,506,050)	(4,371,834)	- [1]	
Cash from Sales	1,814,636	1,772,580	1,904,946	1,736,664	1,751,824	1,796,506	1,810,041	1,816,395	1,820,396	1,877,656	1,911,236	1,917,515	1,947,740	23,878,136 [2]	
Other Cash Receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	[2]	
Total Cash Receipts	1,814,636	1,772,580	1,904,946	1,736,664	1,751,824	1,796,506	1,810,041	1,816,395	1,820,396	1,877,656	1,911,236	1,917,515	1,947,740	23,878,136	
Operating Activities:															
Total Vendor Disbursements	1,184,694	1,110,714	1,086,188	990,235	998,879	1,024,357	1,032,074	1,035,697	1,037,979	1,070,628	1,089,775	1,093,355	1,110,589	13,865,165 [3]	
Salary & Wages	277,059	239,118	239,118	239,118	237,929	242,429	242,429	242,429	242,429	242,429	242,429	242,429	242,429	3,171,772 [4]	
Payroll Taxes	108,053	93,256	93,256	93,256	92,792	94,547	94,547	94,547	94,547	94,547	94,547	94,547	94,547	1,235,991 [4]	
401(k)	7,600	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	79,600	
Benefits	4,000	-	35,751	26,176	4,000	-	35,751	2,280	27,896	-	35,751	-	30,176	201,781	
UFCW (Union / Pension)	-	-	-	413,715	-	-	-	413,715	-	-	-	-	534,644	1,362,074 [5]	
Total Payroll Related Disbursements	396,712	338,373	374,124	778,264	340,721	342,976	378,727	345,256	784,587	342,976	378,727	342,976	907,796	6,052,218	
Rent	-	263,865	110,217	238,385	-	263,865	110,217	-	-	-	263,865	110,217	-	1,360,631 [6]	
Insurance	156,971	139,368	-	-	-	139,368	-	-	-	-	139,368	-	-	575,074	
Property Taxes	172,885	-	-	-	-	-	-	-	-	-	-	-	-	172,885 [7]	
Utilities and Related	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	793,000	
Employee Expense Reimbursement	-	-	-	5,000	-	-	-	5,000	-	-	5,000	-	-	15,000	
Store Infrastructure and Maintenance	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	33,250	432,250 [8]	
Acctg / Legal/ Bank/ Other Prof. Fees	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	18,250	11,000	11,000	11,000	11,000	150,250 [9]	
IT Services / POS (TOMAX)	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	325,000 [10]	
Advertising & Promotion	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	32,500	
Sales Tax	-	-	-	-	107,543	-	-	-	111,309	-	-	-	-	218,852	
Credit Card Fees	-	129,000	-	-	-	-	129,000	-	-	-	129,000	-	-	387,000	
Mechanics Bank (Gift Cards)	5,000	-	-	5,000	-	5,000	-	5,000	-	5,000	-	-	-	25,000	
Other Expense Disbursements	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	650,000 [11]	
Contingency Funds	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	325,000 [12]	
Total Other Operating Outflows	542,606	739,983	317,967	456,135	315,293	615,983	446,967	217,750	326,309	207,750	749,983	317,967	207,750	5,462,441	
Total Operating Disbursements	2,124,012	2,189,070	1,778,280	2,224,634	1,654,894	1,983,316	1,857,768	1,598,703	2,148,874	1,621,354	2,218,485	1,754,298	2,226,136	25,379,824	
Net Cash Excess/(Shortage) From Operations	(309,376)	(416,490)	126,666	(487,970)	98,930	(186,808)	(47,728)	217,692	(328,478)	256,302	(307,249)	163,217	(278,395)	(1,501,688) [13]	
Cumul. Net Cash Excess/(Shortage) From Ops	(309,376)	(725,866)	(599,200)	(1,087,170)	(990,240)	(1,177,049)	(1,224,777)	(1,007,085)	(1,335,563)	(1,079,261)	(1,386,510)	(1,223,293)	(1,501,688)		

Actual/Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	DIP Forecast Total
Forecast Week #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Fiscal Week #	4	5	6	7	8	9	10	11	12	13	14	15	16		
Week Ending Saturday	8/27/2011	9/3/2011	9/10/2011	9/17/2011	9/24/2011	10/1/2011	10/8/2011	10/15/2011	10/22/2011	10/29/2011	11/5/2011	11/12/2011	11/19/2011		
Non-Operating Activities:															
Debt Service/Adequate Protection Payments:															
Interest: DIP Loan	-	8,269	-	-	-	30,788	-	-	-	-	43,327	-	18,500	100,885	[14]
Other Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Debt Service - Adqu Protection Disbursements	-	8,269	-	-	-	30,788	-	-	-	-	43,327	-	18,500	100,885	
Restructuring Expenses:															
Professional Services:															
Murray & Murray (Debtor Bankruptcy Counsel)	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	10,000	10,000	10,000	10,000	341,500	[15]
Less: Retainer Acct: Murray & Murray	(33,500)	(33,500)	(33,500)	(33,500)	(33,500)	(33,500)	(33,500)	(33,500)	(33,500)	(32,000)	-	-	-	(300,000)	
Hinman & Carmichael (Debtor Special Counsel)	5,000	5,000	-	-	-	-	-	-	-	-	-	-	-	10,000	[15]
Less: Retainer Acct: Hinman & Carmichael	(5,000)	(5,000)	-	-	-	-	-	-	-	-	-	-	-	(10,000)	
John Feldman (Debtor Labor Counsel)	4,000	4,000	4,000	4,000	-	-	-	-	-	-	-	-	-	16,000	[15]
Less: Retainer Acct: John Feldmann	(4,000)	(4,000)	(4,000)	(4,000)	-	-	-	-	-	-	-	-	-	(16,000)	
BEBLLC (Debtor FA)	24,375	22,000	18,625	18,625	18,625	18,625	18,625	18,625	18,625	17,500	14,000	14,000	14,000	236,250	[15]
Less: Retainer: BEBLLC	(24,375)	(22,000)	(18,625)	(18,625)	(18,625)	(18,625)	(18,625)	(18,625)	(18,625)	(16,875)	-	-	-	(175,000)	
Singer & Associates (PR Advisor)	5,000	5,000	-	-	-	-	-	-	-	5,000	-	-	-	15,000	[15]
Less: Retainer: Singer & Assoc.	(5,000)	(2,500)	-	-	-	-	-	-	-	-	-	-	-	(7,500)	
Rust Consulting (Claims/Notice Agent)	10,000	7,500	7,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	75,000	[15]
Less: Retainer: Rust Consulting	(10,000)	-	-	-	-	-	-	-	-	-	-	-	-	(10,000)	
Counsel to Unsecured Creditor's Committee	-	-	-	50,000	-	-	-	-	50,000	-	-	-	-	100,000	[16]
Foley Mcintosh Frey & Claytor (Debtor GC)	5,000	5,000	5,000	5,000	5,000	-	-	-	-	-	-	-	-	25,000	
Total Professional Fees	5,000	15,000	12,500	60,000	10,000	5,000	5,000	55,000	13,250	32,500	29,000	29,000	29,000	300,250	
Other Restructuring Disbursements:															
Utility Deposits/Adequate Assurance	300,000	-	-	-	-	-	-	-	-	-	-	-	-	300,000	[17]
DIP Loan Fees	50,000	-	-	-	-	-	-	-	-	-	-	-	-	50,000	[18]
Exit Cost Expenses/Landlord and Exec Contract Cures	-	-	-	113,516	163,928	-	-	-	-	-	-	-	-	277,445	[19]
PACA Claims	-	-	290,535	290,535	-	-	-	-	-	-	-	-	-	581,070	[20]
503(b)(9) Claims - Goods Delivered 20 Days Prior	-	-	476,338	476,338	476,338	-	-	-	-	-	-	-	-	1,905,352	[21]
Court Fees/Other	1,039	-	-	-	-	-	-	-	-	-	-	-	-	30,000	31,039 [22]
Total Other Restructuring Expenses	351,039	-	766,873	880,389	640,266	476,338	-	30,000	3,144,906						
Total Restructuring Expenses	356,039	15,000	779,373	940,389	650,266	481,338	5,000	55,000	13,250	32,500	29,000	29,000	59,000	3,445,156	
Total Non-Operating Disbursements	356,039	23,269	779,373	940,389	650,266	512,127	5,000	55,000	13,250	32,500	72,327	29,000	77,500	3,537,712	
Total Cash Disbursements	2,480,051	2,212,339	2,557,653	3,165,024	2,305,160	2,495,442	1,862,768	1,653,703	2,162,124	1,653,854	2,290,812	1,783,298	2,303,636	28,925,865	
Net Cash Excess/(Shortage) for Period	(665,415)	(439,759)	(652,707)	(1,428,359)	(553,336)	(698,936)	(52,728)	162,692	(341,728)	223,802	(379,576)	134,217	(355,895)	(5,047,729)	
Cumul. Net Cash Excess/(Shortage) for Period	(665,415)	(1,105,174)	(1,757,881)	(3,186,241)	(3,739,577)	(4,438,513)	(4,491,240)	(4,328,649)	(4,670,277)	(4,446,475)	(4,826,050)	(4,691,834)	(5,047,729)		
Ending Cash Balance	(345,415)	(785,174)	(1,437,881)	(2,866,241)	(3,419,577)	(4,118,513)	(4,171,240)	(4,008,549)	(4,350,277)	(4,126,475)	(4,506,050)	(4,371,834)	(4,727,729)	[23]	

Andronico's Community Markets

DIP BUDGET FOOTNOTES

- [1] Beginning cash is the net available cash as of the petition date, August 22, 2011.
- [2] Assumes sales comps versus prior year of: -12.5% for the first 4 weeks, -10% for the next 2 weeks, -9% for the next 2 weeks, -7.5% for the next 2 weeks, and -6% thereafter.
- [3] Assumes that inventory is purchased to support forecasted sales levels. Also assumes an initial incremental purchase of inventory during the first two weeks designed to enhance stock levels. Finally, assumes that all vendors are paid promptly.
- [4] Salary & wages and payroll taxes consist of both store labor and corporate labor. No major changes to labor levels are anticipated in the model.
- [5] Health & welfare and pension payments related to the CBA with the UFCW are expected to be paid in ordinary course.
- [6] Model assumes that store rents are paid in ordinary course and that stub-rents and cure amounts related to August rent are paid.
- [7] Assumes payment of unsecured property taxes.
- [8] Includes non-capitalized equipment repair, packing supplies, laundry.
- [9] Consists of ordinary course expenses for inventory counting (done each period), accounting, armored car service.
- [10] Includes costs of hosted POS system and accounting system tools/data warehouse.
- [11] This line includes all other operating costs incurred in normal course.
- [12] The contingency line item represents operating cushion for unknown and unpredictable expenditures.
- [13] The cumulative net cash shortage represents the amount of operating cash shortfall anticipated during the DIP Budget period.
- [14] Dip loan interest represents up to \$5MM of DIP financing borrowed incrementally throughout the DIP budget period at 10% per annum.
- [15] Professional fees estimates are shown as earned. Amounts held by firms as retainers are shown as offsets to the earned amounts. Actual allowed payments are subject to Court approval.
- [16] Assumes that the counsel to the Unsecured Creditors Committee will be provided with a \$100,000 budget.
- [17] Model assumes that utilities providers are paid \$300,000 as adequate assurance payments.
- [18] Assumes DIP lender is paid a \$50,000 fee.
- [19] This line consists of cure amounts to executory contracts and lease amounts expected to be assumed.
- [20] PACA estimate represents the amount of Perishable Agricultural Commodities Act claims. Model assumes that these claims are paid out once verified over a reasonable period of time.
- [21] The 503(b)(9) claims represent the estimated amount of goods delivered to the debtor during the 20 days prior to the petition date, and the amount exclude those goods also listed in the PACA claim. Model assumes that these claims are paid out once verified over a reasonable period of time.
- [22] Assumes \$1,039 filing fee and a \$30,000 quarterly UST fee.
- [23] Model assumes that a \$5,000,000 DIP facility is adequate to fund operations and restructuring costs during the DIP budget period.